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AUDITOR-CONTROLLER

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TO: Supervisor Yvonne Brathwaite Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

**SUBJECT: SHERIFF'S DEPARTMENT REVIEW OF FOOD SERVICE COST**

At your request, we have reviewed the Sheriff Department's (Sheriff) cost per meal for food service. The purpose of our review was to estimate the current cost per meal and to evaluate the apparent reduction in the cost per meal from the \$1.63 reported by KPMG Peat Marwick (KPMG) in fiscal year (FY) 1996-1997 to the \$1.17 reported by the Sheriff in April 2003.

**Results of Review**

Our review disclosed that the Sheriff and KPMG used significantly different workload information in computing their average cost per meal. As a result, the Sheriff's estimate of \$1.17 and KPMG's estimate of \$1.63 cannot be compared. Our review also indicates that the Sheriff does not keep records of its food service workload and based the workload for their analysis on estimates by their Food Service Unit (FSU) management. However, the types of workload the Sheriff included in their analysis appear to be consistent with the statistics used in the industry and are probably the best basis for the comparison.

Our review also disclosed that KPMG's FY 1996-97 cost was overstated because KPMG used budgeted costs in their estimate, instead of actual, and included unavoidable overhead. We recomputed the average cost per meal from KPMG's study using the Sheriff's current workload estimates, and adjusted KPMG's cost for the budget and overhead issues, and determined the FY 1996-97 average cost per meal to be \$1.02.

In addition, the Sheriff also used budgeted cost in computing their \$1.17 per meal estimate. Based on the Sheriff's estimated actual cost for FY 2002-03, and the Sheriff's

current workload estimate, we computed the Sheriff's FY 2002-03 average cost per meal to be approximately \$1.09.

### **Lack of Records**

As noted earlier, the Sheriff does not maintain complete information on the FSU's workload, staffing and costs. The Sheriff lacks information in the following areas:

#### **Number of Meals Served**

FSU does not keep records of the number of meals served. This includes the number of inmate and staff meals, as well as double portion meals and other special meals, etc. All of the studies of the cost per meal have estimated the number of inmate meals based on three meals per day times the average inmate population. Other workload estimates (e.g., staff meals, double-portion meals, etc.) were made by FSU management based on their knowledge of their operations.

#### **Inmates Working in FSU**

FSU uses inmates to help prepare and serve meals. This is a common practice in jails. We noted that the Sheriff does not keep track of the number of hours inmates spend working in the FSU.

#### **Deputies Assigned to Supervise FSU**

The Sheriff uses Deputy Sheriffs assigned to the jails to supervise the inmates in the FSU. However, the deputies' salary and employee benefit costs are recorded in the Custody budget unit, not in FSU. As a result, this cost is not included in the average cost per meal noted above. In addition, the Sheriff does not keep a record of the number of deputies assigned to the FSU.

It should be noted that the deputies assigned to supervise inmates in FSU would likely not be a cost that should be included in the cost per meal calculation. This is because if the Sheriff did not use inmates in the FSU, the deputies assigned to supervise the FSU would likely still be needed to supervise the inmates elsewhere in the jails.

#### **Food Transportation**

FSU transports meals to various locations (e.g., Sheriff's stations, courts, etc.). However, the transportation costs (e.g., drivers' salaries, vehicle costs, etc.) are not recorded in the FSU budget unit. Accordingly, these costs are not included in the average costs per meal noted above. While these costs are probably not significant, the Sheriff should ensure that they keep records of all FSU costs.

In order to facilitate any future analysis of food service cost, the Sheriff should begin keeping complete statistics and cost information for the FSU operation.

If you have any questions regarding this review, please contact me or have your staff contact DeWitt Roberts at (626) 293-1101.

JTM:DR:MP

c: David E. Janssen, CAO  
Lee Baca, Sheriff  
Violet Varona-Lukens, Executive Officer  
Audit Committee  
Public Information Office